MEMBER SWORN.

Mr. E. I. Mathew, Director of Registration, was sworn in.

CONSIDERATION OF THE REPORT ON THE AUDIT AND APPROPRIATION OF THE ACCOUNTS OF 1109.

Mr. R. Nilakanta Pillai: Sir, I move that the report of the Public Accounts Committee on the Audit and Appropriation Accounts of 1109 be taken up for consideration.

Mr. M. N. Parameswaran Pillai: Sir, at the time of the discussion of the annual budget, we generally contemplate the future equilibrium, explore the financial horizon and endeavour to discover the best way to care for works of public utility. The budget always anticipates the public revenues and authorises the expenditure. It outlines the way of the execution of the financial policy; whereas the Public Accounts Committee ascertains whether this road has been strictly followed. At this second examination which the same budget must undergo before our eyes after its execution, the actual facts are confronted with the promises. The last two reports of the Public Accounts Committee relating to the years 1108 and 1109 reveal to us that there had been numerous financial irregularities. They also make it abundantly clear that our Financial Department is hopelessly inefficient in the task of correct and accurate budgeting. In several cases we find that the expenditure under voted heads have exceeded the final grants A perusal of pages 48 to 51 of the Audit and Appropriation Report for 1109 shows that there was a saving to the extent of Rs. 23·40 lakhs in the final grants made for the various departments such as Industries, Medical, Public Health, P. W. D., including Protective Irrigation, Forest, Agriculture and Fisheries and such other departments. Is this not a clear indication that our Finance Department is quite unable to forecast correctly the needs of the several departments? Such inaccuracy and shortsightedness on the part of the Finance Department in the matter of framing the budget and the irregular way in which the grants under the various heads are expended, lead to very serious results. As a natural consequence of such budgeting, we often find that the legitimate activities of some of the important departments are allowed to be neglected or impoverished or deliberately contracted just to gain funds for the extravagant expenditure of Government in very many other ways.

Sir, it certainly reflects badly on our Finance Department that it should have moved for supplementary grants even in cases where

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